



CALPEEK

CALIFORNIA POLITICAL WEEK

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CAMPAIGN '98: BOTH SIDES IN TRIBAL GAMING INITIATIVE WAR GEARING UP FOR FALL BATTLE.

Editor's note: The primary election cycle has just ended and a new one is about to start up. Here's our brief update & analysis about the Tribal Gaming Initiative, which promises to be the *Godzilla* of all initiatives...

...This upcoming initiative battle resembles Prop. 4 in 1956 - the major oil companies vs. the Calif. independents. Back then the total amount spent by both sides was \$8-10 million - a huge amount in those days. But the money which will be spent by both sides in this current battle between Calif. Indian tribes (who want to have slot machines at their casinos) vs. Nevada and non-Indian Calif. gambling interests could exceed \$75 million!!! Put another way: this proposal is the *full employment act of '98* for political consultants...

...At this point, both sides are just now beginning to gear up their campaigns, although the YES side, which goes by the name of Californians for Indian Self-Reliance has been pumping out news releases, taking out full page newspaper ads (blasting CA Gov. Pete Wilson) and has recently done another huge mailing to likely voters. FYI: In addition to the efforts of CISR, the San Manuel Band of Mission Indians appears to have their own independent effort underway - which includes tv ads and a news bureau operation...

...The lead consultant for the YES side is Winner/Wagner & Mandabach. Joe Shumate & Assoc., working with consultant Michael Galizio, will handle outreach and coalition building. Polling will be done by Fairbank, Maslin, Maullin & Assoc. Calpeek sources expect other consultants will be added in time...

...The NO side will go by the name of the Coalition Against Unregulated Gambling(CAUG). Co-chairs are

Kirk West, president emeritus of the CA Chamber of Commerce; Bill Campbell, president emeritus of the CA Mfg. Assn.; and Jack Gribbon, political director of the Hotel Employees & Restaurant Assn. The lead consultant handling paid media will be Goddard*Claussen, with Nelson Communications Group handling grass roots organizing and free media. Nielsen Merksamer is handling the legal work. Other members of the CAUG coalition include the United Farm Workers, NV Resort Assn., Hilton Hotel Corp., and the CA Gaming Assn. (composed of non-Indian card club casinos). Stay tuned...

CAMPAIGN '98: CALPEEK'S WINNERS & LOSERS.

Editor's note: And now, for what it's worth, here is one of your favorite columns: *Winners & Losers*. There is absolutely nothing objective about this column...

◆ *The Big Winners* - Most all sources agree that the gubernatorial campaign of Lt. Gov. Gray Davis(D) and organized labor (NO on 226) emerged as the big winners June 2nd. *Runner up*: YES on Prop. 227 sponsor Ron Unz...

◆ *The Big Loser* - Again all sources agree: CA Gov. Pete Wilson(R). Question: why can't he just go away quietly and let AG Dan Lungren have his day in the sun???

◆ *Titanic Award* - To *deep pocketed* Demo gubernatorial candidate Al Checchi. His \$40+ million sets an individual record for campaign spending and he went down with his ship...

◆ *Sweet Revenge* - Before their *nasty divorce*, top Demo media consultants Bob Shrum, David Doak and Michele Carrier were partners. Doak & Carrier went one way, Shrum teamed up with Ted Devine & Mike

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Donilon. Shrum may have made a fortune producing Al Checchi's tv ads, but it's Doak, Carrier & O'Donnell who get **top honors** for producing the *best series of tv ads* for Lt. Gov. Gray Davis(D)...

◆ **Best TV Ad in a Down-ballot Race** - The winner is Lt. Governor candidate Cruz Bustamante(D). Consultant: Richie Ross...

● **Best Initiative Campaign** - NO on 226. Lots of credit goes the NO team: lead consultant Gale Kaufman; Seder, Laguens & Hamburger, who produced the tv spots; pollsters Mark Mellman & David Binder; and The Media Partners, who specialize in political communications. Some of the tv ads were misleading, but they were not over the line...

◆ **Best Spin** - Much of the credit for the come-from-behind victory of Gray Davis(D) goes to cmp. director Garry South. **Runner Up**: Russo, Marsh + Raper, who produced a series of spinning memos called *The Insider*...

● **Polling On Target** - Top honors to Davis' pollsters: Fairbank, Maslin, Maullin & Assoc....

● **Best Initiative TV Ad in a Losing Campaign** - NO on 227 - the 4 gubernatorial candidates say NO to 227 was the best (produced by Richie Ross)...

◆ **Room Temperature IQ Awards** - There were 2 major strategic blunders in this primary. 1) Demo gubernatorial candidate Al Checchi's decision to go negative after saying he wouldn't; and 2) GOP U.S. Senate candidate Darrell Issa's decision to pull \$1 million in tv ads 3 weeks before the election. Once gone, Issa couldn't get those tv spots back...

● **Digital Salute Award** - Goes to GOP consultant Chris Jones for his direct mail attack against Ken Maddox on behalf of John Kellogg. Just nasty stuff that had no business being mailed. Maddox won anyway. Gillard, Blanning & Assoc. ran Maddox's campaign.

◆ **Playing the Race Card** - The dialogue between Latinos & Jews in L.A. was badly damaged with State Sen. Richard Polanco's outrageous direct mail attack on Richard Katz. The hit piece implied a link between Katz and the 1988 Orange Co. poll guards incident.

L.A. CURRENT AFFAIRS COUNCILMAN BERNSON. L.A. Councilman Hal Bernson will be the featured speaker at the L.A. Current Affairs Forum, 11:30 a.m., June 24, Hyatt Regency Hotel, L.A. For info ☎ Emma Schafer (213)627-7427...

CAMPAIGN '98: UPDATE ON U.S. HOUSE CONTESTS. Editor's note: Now it's time to give our early assessment for Nov. 3rd in **3 open seat battles**. Here's our first update & analysis...

☒ **1st CD** - Of the three high-profile open seats up for grabs, most insiders agree that popular State Sen. Mike Thompson(D) is a solid favorite to bring the 1st CD back into the Demo fold. The seat now belongs to U.S. Rep. Frank Riggs(R). A Thompson win over Napa Co. Sup. Mark Luce(R) means he should be able to hold this seat in the Demo column for a long time...

☒ **3rd CD** - In order for the Demos to hold this seat now occupied by U.S. Rep. Vic Fazio(D-Sacto), it will take a ton of money. Water attorney Sandie Dunn(D) has the moderate credentials and is backed by Fazio. Sacto businessman Doug Ose has very deep pockets and with his high profile primary, he's better known than Dunn. But will Ose use his own money against Dunn? Another question: will GOPers loyal to defeated conservative Barbara Alby forgive Ose for his fair, but negative campaign against her? If not, then Dunn has a shot to win. For now, our sources put the 3rd CD in the toss up position, with a perhaps a slight lean toward Ose...

☒ **36th CD** - No question about it: Demos felt that Janice Hahn, daughter of the late county Sup. Kenneth Hahn, would have a solid shot to hold this CD in the Demo camp *if* she were to run against Susan Brooks, the GOPER who has run for this seat 3 times. But that didn't happen, despite a huge \$200,000 IE by *Americans for Limited Terms* for Brooks. The winner was moderate GOP Assemblyman Steve Kuykendall, who is pro-choice and *isn't* afraid to knock heads with the NRA. He really fits this CD tighter than O.J.'s glove. NRCC Chair John Linder predicts a Kuykendall win Nov. 3rd. Assuming the Demos will assist Hahn with fundraising (because her fundraising has been rather lackluster) some sources view the race as a toss up. Other sources see the race as leaning toward Kuykendall. The unknown factor: how much time will U.S.

Rep. Jane Harman(D) devote to helping Hahn hold the seat for the Demos? If Harman steps up to the plate big time, Demos have a shot. More next week...

CAMPAIGN '98: UPDATED CALIF PRIMARY RETURNS.

Editor's note: There are still a handful of primary elections which are still up in the air --- and others which **Calpeek** didn't have room for last week. Here's our update & analysis...

☒ ***State School Superintendent*** - There will be a Nov. 3rd runoff between incumbent Delaine Eastin and her chief rival Gloria Matta Tuchman, one of the key sponsors of YES on 227. Eastin got **43%** to Tuchman's **25.6%**. **Calpeek** sources continue to feel that Eastin could be in some trouble...

☒ ***Board of Equalization*** - Incumbent Johan Klehs (D) got 77.6% in the primary in District #1, while incumbent Dean Andal(R) got 55% in District #2. Andal will face Demo Tom Santos, who won narrowly over Joseph Micallef. In open #3 it will be Mary Christian-Heising(D) vs. Claude Parrish(R), who was a narrow winner despite being on just about all GOP slate cards. In open #4, it will be Acting BOE Member John Chiang vs. Joe Adams Jr.(R). In the fall, Klehs, Andal and Chiang are heavy favorites to win...

☒ ***10th SD*** - The big win by Liz Figueroa over fellow Demo Michael Sweeney also was a big win for BOE member Johan Klehs(D), who endorsed Figueroa early - and helped raise money for her. Why did Klehs get involved? Sources Klehs got POed at Sweeney for his refusal to back San Leandro Mayor Ellen Corbett (D) for Sweeney's 18th AD. Corbett was the eventual winner...

☒ ***20th SD*** - This battle for Demo Herschel Rosenthal's open seat is one of the closest primaries in L.A. Co. history and it also has reopened a festering wound between L.A.'s Jewish and Latino communities. Cause of the tension: at last minute hit mailer by State Sen. Richard Polanco(D) on behalf of L.A. Councilman Richard Alarcon(D) against former Demo Assembly Leader Richard Katz. Some of the allegations in the hit piece crossed the line and pandered to racial fears in the Latino community. As of June 9th, Alarcon still has a lead of **33**, with another **350+** provisional ballots to be

counted. These are ballots of voters who originally requested AV ballots, but voted at the polls on election day. Officials have to make sure these people didn't vote twice...

☒ ***GOP Latinos*** - There will be at least 3 Latino members of the GOP Assembly Caucus in the next session of the Legislature. Incumbent Rod Pacheco (64th AD) is a slam dunk for reelection and it looks as though Santa Maria Mayor Abel Maldonado (33rd AD) and school board member Charlene Zettel (75th AD) also are solid bets to win seats. There could be a 4th member if Walnut Councilman Robert Pacheco(R) defeats West Covina Councilman Ben Wong(D) in the 60th AD. It could be a close race because some Republicans are angered at Pacheco for his last minute hits on favorite Mike Radlovic - after Pacheco said he would not go negative. Leland Faegre is the Libertarian candidate - and he could draw votes from disgruntled GOPers. Stay tuned...

CAMPAIGN '98: CALIFORNIA INITIATIVE UPDATE.

Editor's note: Here's a brief update on some initiative activity in Calif...

☒ ***Horse Slaughter Initiative*** - This measure to ban the slaughter of horses in Calif. (and selling the meat for human consumption - mostly in Europe where horse meat is considered a delicacy) has qualified for the Nov. 3rd ballot. Lead consultant will be Rick Taylor. The official committee name is *Save The Horses*...

☒ ***Utility Initiative*** - Sources are fairly certain that this statute to undo the State's new utility deregulation law will make it for November. If that is the case, then Winner/Wagner & Mandabach will co-direct the NO campaign with Townsend, Raimundo, Besler & Usher. W/W&M will handle paid media, Townsend et al will be responsible for day-to-day management...

☒ ***Tobacco Surtax Initiative*** - The measure to hike cigarettes by .50 cents a pack, with the additional funds going for early childhood development programs, is still being counted. Should it qualify, which seems likely, then Joe Shumate & Associates will handle the NO side. The YES side, which goes by the name of *Calif. Children & Families First*, has hired Forde & Mollich to handle its campaign...

CALPEEK'S CALENDAR OF POLITICAL EVENTS

June 25	Last day for citizen-sponsored initiatives to qualify for the Nov. 3rd ballot.
June 26-27	<i>Campaigns & Elections Magazine</i> political training seminar, Bonaventure Hotel, L.A.
June 26-28	Nat'l Women's Political Caucus of Calif., 1998 convention, Hotel Inter-Continental, L.A.
July 20-23	Nat'l Conf. of State Legislatures, annual meeting, Las Vegas.
July 23-25	RNC Summer meeting, New York City.
Sept. 10-13	CA Judges' Assn. annual meeting, S.F.
Oct. 2-5	Nat'l League of Cities meeting, Kansas City.
Oct. 5	Last day to register to vote in CA General Election. First day to apply for Absentee Ballot for Nov. 3rd election.
Nov 3.	CA General Election.

CALPEEK'S INFOBAHN: POLITICAL SHORT TAKES.

Editor's note: Here are a few political items worth noting...

■ **Block Vs. Baca** - One of the hottest local races in Calif. this year has been L.A. Co. Sheriff Sherman Block's reelection effort for a 5th term. In the June 2nd primary, Block finished 1st in a field of 4, but with only 36%. Old rule of thumb: anytime an incumbent fails to win outright in an L.A. Countywide race, it's usually a sign of trouble. As for Sheriff's Chief Lee Baca, his comments after the race were very troubling to some of his supporters. It almost sounded as if he wanted to drop out and avoid a confrontation with Block. Baca finished 2nd with 32%. But then Baca got his act together and resigned from the department. He's been there 32 years. Smart move politically because it's almost impossible to criticize the department if you're a part of it...

■ **Tax Cut or More School Spending** - As a campaign issue in the June primary, eliminating the vehicle license fee *wasn't* the hot button wedge issue that key backer Tom McClintock(R-Northridge) had hoped it would be. A number of conservative candidates who used the VLF pitch lost. Politically, the VLF tax cut would have been a better issue for Nov. 3rd, especially with *blue collar/lunch bucket voters*. But Demo polling indicates voters would rather use Calif.'s \$4 billion budget surplus on education -- not a VLF tax cut...

...There's no doubt that McClintock and his allies have the votes in the Assembly to block any budget bill that

does not address the VLF issue. What is the initial Demo response? Senate Pres. John Burton offered a simple solution on spending the budget surplus: let the voters decide on 2 ballot measures (whichever one wins Nov. 3rd becomes law): 1) cut the VLF from 2% to 1%, as Gov. Wilson proposes, with total backfill for local government; or 2) increase Prop. 98 funding to equal the national average for educational spending. McClintock likes Burton's idea, but other GOPers aren't too thrilled. Stay tuned...

NEW JOBS, ADDRESSES AND PERSONNEL NOTICES.

Editor's note: Here are some items to mark down in your notebook. We've got a ton of these notes in our file...

● A sad note: former 3-term L.A. Mayor Sam Yorty died June 5. He was 88 and had recently suffered a stroke. R.I.P...

● Another sad note: former Assemblyman and 8-term Congressman H. Allen Smith(R) died June 4. He was 89 and was from Glendale. R.I.P...

● Carolyn Herbertson has jumped from Gun Owners of CA to the NRA's Sacto office, where she will coordinate *Campaign '98* efforts...

● Ken Bernstein, the planning deputy to L.A. Councilwoman Laura Chick, has been hired as director of preservation issues for the L.A. Conservancy...

● L.A.-based Cerrell Associates, Inc. has hired Sara Cheaure as the firm's media director, while Renee Schillaci has been hired as asst. media director...

● Nelson Communications Group has promoted Marice White to Sr. associate in the firm's campaign division. White is based in NCG's Irvine office...

● The L.A. Chamber of Commerce has hired 3 new legislative mgrs.: David Gershwin, who was working on Gray Davis' '98 campaign staff; Jerry Jeffe, former L.A./Kamber Group AE; and Julia Gardner, who worked in the U.S. Congress...

● Calvin Naito has been named mgr. of communications at the Federal Reserve's L.A. branch...